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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of  
Billed Party Preference  
for 0+ InterLATA Calls

)  
) CC Docket No. 92-77  
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COMMENTS

MCI Telecommunications Corporation (MCI) hereby comments on the Commission's Notice of Proposed Rulemaking (NPRM) in the above-captioned proceeding concerning the use of proprietary calling cards with 0+ access. The Commission asks whether interexchange carriers (IXCs) should be prohibited, pending deployment of billed party preference (BPP), from accepting proprietary calling cards on 0+ calls. Under this proposal, IXCs that instruct their card customers to dial 0+ would be required to share billing and validation data for their cards, or they would have to restrict the use of the card to access code calling.

MCI strongly urges that the Commission adopt this proposal and mandate 0+ access as being in the public domain. As demonstrated in other Commission proceedings,<sup>1/</sup> the American Telephone and Telegraph Company (AT&T) currently enjoys an unearned and unwarranted competitive advantage because its so-

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<sup>1/</sup> See, MCI Comments, CC Docket No. 91-35, filed April 12, 1991; and Competitive Telecommunications Association Emergency Motion for an Interim Order Requiring AT&T to Cease Further Distribution of "Proprietary" CIID Cards and Permit Validation and Billing of Existing Cards Pending a Final Decision in this Docket, CC Docket No. 91-115, filed December 20, 1991.

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called "proprietary" calling card employs 0+ access. Moreover, AT&T has used this advantage to coerce premise owners into selecting it as their presubscribed operator service provider (OSP). Although the deployment of BPP will eliminate AT&T's advantage, it will "not be implemented for some time." NPRM at para. 41. Therefore, the Commission, for the time being, must establish 0+ as public domain access and require IXCs that choose this access method to make available billing and validation data necessary to accept calls made with these cards.

There are a number of benefits in establishing 0+ dialing as public domain access. First, placing 0+ in the public domain now will establish a logical transition to BPP, under which callers will utilize 0+ as the dialing pattern to access all carriers. In addition, 0+ dialing is a simple and convenient access method for callers. Also, callers are familiar with this "traditional" access method because cards issued by the now-divested Bell System use it. Many of the blocking problems faced by consumers would be eliminated if 0+ dialing were in the public domain because carriers would be able to bill and validate all 0+ cards and, therefore, they would not have to block these calls. This proposal also is capable of being implemented immediately by all carriers.

Establishing 0+ dialing as public domain access now would significantly enhance competition in the operator services market by reducing AT&T's historical advantage as the carrier controlling 0+ access and enjoying market power in this important

segment of the interexchange marketplace. Currently, AT&T issues proprietary calling cards with instructions to its customers to dial 0+. As validation and billing data cannot be obtained by other common carriers for these AT&T cards because AT&T refuses to make them available, callers possessing and attempting to use these cards find that they are not accepted on a 0+ basis at hotels, motels, hospitals or other public places, or at any other locations, unless the access line serving these locations is presubscribed to AT&T. Caller confusion, inconvenience and resentment often result in these cases, which AT&T seeks to fuel with its national advertising campaigns.

AT&T's use of 0+ for its cards and its refusal to allow other carriers to validate its cards, coupled with AT&T's plan to flood the market with proprietary cards, has permitted AT&T to begin to remonopolize the public phone market. AT&T advises premise owners that, because it has a dominant share of the card market and 0+ service, it can accept most of the calling cards in circulation, whereas its competitors cannot accept calls using AT&T's 0+ card. Therefore, AT&T informs premise owners that it is in a position to pay a greater amount in commissions by virtue of its dominant position, and that selection of another carrier would only result in a diminution of the amount of commissions paid to them. The result is that AT&T is able to retain a dominant share of this business by extinguishing the insubstantial competition that followed payphone presubscription. If 0+ is established as public domain access, however, consumers

will be able to place 0+ card calls from any phone because all OSPs will be able to carry the calls. Accordingly, this will increase consumer choice and competition.

With respect to the Commission's questions concerning how 0+ public domain access would be implemented, MCI's views are as follows. IXC's would determine whether to provide a calling card with 0+ access or proprietary access. Those choosing to provide a non-proprietary 0+ card would have to make available the billing and validation data to all other IXC's. Consumers would then be able to choose among cards and determine whether they wanted to use a proprietary or a non-proprietary card.

Carriers issuing proprietary cards should be required to instruct their customers always to dial access codes and they should be required to refuse to complete 0+ calls made by customers using proprietary calling cards. IXC's would be able to distinguish between proprietary and non-proprietary cards because the former would use a proprietary access code. If customers are not instructed to dial an access code with a proprietary card, they may still try to dial 0+, which would perpetuate all of the current marketplace problems and inequities: the customer would be frustrated because his or her call could not be completed and the OSP would incur unrecoverable costs because it would not be able to complete the call. Similarly, carriers should be required to reject 0+ calls by customers using proprietary calling cards in order to reinforce the new dialing instructions.

In order for OSPs to carry and bill 0+ card calls, IXC's

issuing such cards would have to make available card validation. Also, the card customers' billing name and address would have to be provided.

Finally, this proposal should have no impact on the cost of BPP or otherwise affect its implementation. This proposal also does not adversely impact the benefits of BPP because it is only an interim step to ensuring full equal access and the further development of a competitive market segment. With 0+ dialing as public domain access, the consumer's call would be completed by the presubscribed OSP. Under BPP, however, the consumer will be able to reach its carrier-of-choice by dialing 0+. Accordingly, establishing 0+ dialing as public domain access is not a substitute for BPP.

Based on the foregoing, MCI respectfully requests that the Commission adopt the recommendations set forth herein.

Respectfully submitted,

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